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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte FRED COLLOPY,
CRAIG ALLEN NARD, HIMANSHU S. AMIN,
GREGORY TUROCY, RONALD CHARLES KROSKY,
DAVID NOONAN, GUSTAVO ARNALDO NARVAEZ,
and BRIAN ASQUITH

Appeal 2017-000710
Application 12/547,800
Technology Center 3600

Before ERIC S. FRAHM, STEVEN M. AMUNDSON, and
JASON M. REPKO, *Administrative Patent Judges*.

AMUNDSON, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ seek our review under 35 U.S.C. § 134(a) from a final rejection of claims 1, 2, 4–12, 14–20, 23, and 24, i.e., all pending claims. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify the real party in interest as Great Lakes Incubator, LLC. Br. 2.

STATEMENT OF THE CASE

The Invention

According to the Specification, the invention “relates generally to insurance rates and in particular to disclosing real-time insurance rates to a vehicle operator.” Spec. ¶ 2.² The Specification explains that an “on-board monitoring system in conjunction with a mobile device can be employed to gather real-time information regarding how a vehicle is being operated by the owner of the mobile device,” and a “remote insurance provider system” determines an insurance rate based on the real-time information. Abstract. The “determined insurance rate can [then] be transmitted to the owner allowing them to see how their driving style is affecting their insurance rate and [they] can adjust their driving style accordingly.” *Id.*

Exemplary Claims

Independent claims 1 and 9 exemplify the claims at issue and read as follows (with formatting added for clarity):

1. A system, comprising:

a processor; and

a non-transitory computer-readable storage medium
communicatively coupled to the processor and storing computer
executable components to facilitate operation of components
comprising:

a collection component that receives real-time
vehicle operation data from a wireless telephone
regarding a first vehicle; and

² This decision uses the following abbreviations: “Spec.” for the Specification, filed August 26, 2009; “Final Act.” for the Final Office Action, mailed June 8, 2015; “Adv. Act.” for the Advisory Action, mailed December 21, 2015; “Br.” for the Appeal Brief, filed February 8, 2016; and “Ans.” for the Examiner’s Answer, mailed June 10, 2016.

an analysis component that

associates an owner of the wireless telephone with an insurance policy and as an operator of the first vehicle, and

determines a real-time insurance rate based in part on the real-time first vehicle operation data; and

after completion of operation of the first vehicle

the collection component receives real-time vehicle operation data from the wireless telephone regarding a second vehicle, [and] re-associates the owner of the wireless telephone with the insurance policy, and

the analysis component determines an updated real-time insurance rate based in part on the real-time second vehicle operation data.

9. A method, comprising:

receiving, by a processor operatively coupled to a memory, real-time vehicle operation data from a wireless telephone regarding a first vehicle; and

associating, by the processor operatively coupled to the memory, an owner of the wireless telephone with an insurance policy and as an operator of the first vehicle, and

determining a real-time insurance rate based in part on the real-time first vehicle operation data; and

after completion of operation of the first vehicle

receiving real-time vehicle operation data from the wireless telephone regarding a second vehicle,

re-associating the owner of the wireless telephone with the insurance policy, and

determining an updated real-time insurance rate based in part on the real-time second vehicle operation data.

Br. 68–69 (Claims App.).

The Prior Art Supporting the Rejections on Appeal

As evidence of unpatentability, the Examiner relies on the following prior art:

| | | |
|---|--------------------|---------------|
| Henderson et al. (“Henderson”) | US 6,868,386 B1 | Mar. 15, 2005 |
| Gunderson et al. (“Gunderson”) | US 2007/0257804 A1 | Nov. 8, 2007 |
| Camp et al. (“Camp”) | US 2008/0064446 A1 | Mar. 13, 2008 |
| Berkobin et al. (“Berkobin”) | US 2008/0255888 A1 | Oct. 16, 2008 |
| Hiruta et al. (“Hiruta”) | US 2009/0082948 A1 | Mar. 26, 2009 |
| Cole et al. (“Cole”) | WO 2008/001125 A1 | Jan. 3, 2008 |
| Svein Yngvar Willassen, <i>Forensics and the GSM Mobile Telephone System</i> , INT’L J. DIGITAL EVIDENCE Vol. 2, Issue 1 (2003) (“Willassen”) | | |

The Rejections on Appeal

Claims 1, 2, 4–12, 14–20, 23, and 24 stand rejected under 35 U.S.C. § 112 ¶ 1 as failing to comply with the written-description requirement. Final Act. 5–6.

Claims 1, 2, 4–12, 14–20, 23, and 24 stand rejected under 35 U.S.C. § 101 as not directed to patent-eligible subject matter. Final Act. 6–7.

Claims 1, 2, 4, 6–11, and 16–18 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Cole and Henderson. Final Act. 8–16.

Claim 5 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Cole, Henderson, and Willassen. Final Act. 17.

Claims 12 and 19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Cole, Henderson, and Berkobin. Final Act. 18.

Claims 14, 20, and 23 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Cole, Henderson, and Camp. Final Act. 19.

Claim 15 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Cole, Henderson, and Hiruta. Final Act. 20.

Claim 24 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Cole, Henderson, and Gunderson. Final Act. 21.

ANALYSIS

We have reviewed the rejections in light of Appellants' arguments that the Examiner erred. For the reasons explained below, we concur with the Examiner's conclusions concerning unpatentability under § 101 and § 103(a). But we disagree with the Examiner's determination under § 112 ¶ 1. We adopt the Examiner's findings and reasoning in the Final Office Action, Advisory Action, and Answer that relate to the § 101 and § 103(a) rejections. *See* Final Act. 3–4, 6–21; Adv. Act. 2–3; Ans. 5–15. We add the following to address and emphasize specific findings and arguments.

The § 112 ¶ 1 Rejection of Claims 1, 2, 4–12, 14–20, 23, and 24

Section 112's written-description requirement serves to “clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.” *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc) (alteration in original) (quoting *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563 (Fed. Cir. 1991)); *see Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1344 (Fed. Cir. 2016). “[T]he test for sufficiency is whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” *Ariad*, 598 F.3d at 1351; *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275,

1296 (Fed. Cir. 2017). The “test requires an objective inquiry into the four corners of the specification from the perspective of a person of ordinary skill in the art.” *Ariad*, 598 F.3d at 1351. The written-description requirement does not, however, “demand any particular form of disclosure” or require that “the specification recite the claimed invention *in haec verba*.” *Id.* at 1352. The analysis for sufficiency of disclosure may consider “such descriptive means as words, structures, figures, diagrams, formulas, etc.” *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997).

Here, the Examiner determines that: (1) the claims include “two associating steps and two determining steps, namely the association and re-association of an owner of a wireless telephone with an insurance policy and the determination o[f] a real time insurance rate and an updated insurance rate”; and (2) “[n]either the specification nor the drawings disclose in detail the specific steps or algorithm needed to perform the operation[s].”

Final Act. 6. The Examiner explains that:

[e]ven though the original disclosure includes the generic language of association and re-association of an owner of a wireless telephone with an insurance policy and the determination o[f] a real time insurance rate and an updated insurance rate, the original disclosure does not satisfy the written description requirement[] because it fails to offer a description of any necessary processes to achieve the association, re-association, and determinations

Adv. Act. 2; *see* Ans. 3–4.

In the Appeal Brief, e.g., in the Summary of Claimed Subject Matter, Appellants cite various portions of the Specification supporting the claims at issue, including paragraphs 65 through 70, 76, and 78. *See, e.g.*, Br. 6–11, 13–14. Based on an analysis of the Specification, we agree with Appellants

that it reasonably conveys to those skilled in the art that Appellants had possession of the claimed subject matter as of the filing date. *See, e.g.*, Spec. ¶¶ 34, 65–70, 76, 78, 96. For instance, the Specification discusses an issue of “how to identify a particular driver and associate them with the vehicle that they are driving.” Spec. ¶ 34. The Specification then discloses monitoring an “individual driver regardless of the vehicle they are driving,” “monitoring actual usage of each vehicle,” and adjusting “the insurance coverage . . . in real-time depending upon which vehicle is being driven” *Id.* ¶¶ 34, 76. Thus, “the driver can be presented with new insurance rates based upon the data gathered while they were driving the vehicle.” *Id.* ¶ 96. Hence, we do not sustain the § 112 ¶ 1 rejection of claims 1, 2, 4–12, 14–20, 23, and 24.³

³ In the event of continued prosecution, the Examiner should consider (1) the applicability of 35 U.S.C. § 112 ¶ 6 to the claimed software “components” and (2) whether under 35 U.S.C. § 112 ¶ 2 the Specification discloses adequate corresponding structure, e.g., a suitable algorithm, for accomplishing the functions assigned to those “components.” *See, e.g.*, *Advanced Ground Info. Sys., Inc. v. Life360, Inc.*, 830 F.3d 1341, 1349–50 (Fed. Cir. 2016); *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1348–54 (Fed. Cir. 2015) (en banc in relevant part); *EON Corp. IP Holdings LLC v. AT&T Mobility LLC*, 785 F.3d 616, 624 (Fed. Cir. 2015). Where a means-plus-function limitation recites two or more functions, the specification “must disclose adequate corresponding structure to perform *all* of the claimed functions.” *Media Rights Techs., Inc. v. Capital One Fin. Corp.*, 800 F.3d 1366, 1374 (Fed. Cir. 2015); *see Williamson*, 792 F.3d at 1351–52; *see also Noah Sys., Inc. v. Intuit Inc.*, 675 F.3d 1302, 1318–19 (Fed. Cir. 2012) (means-plus-function limitation specifying two functions).

The § 101 Rejection of Claims 1, 2, 4–12, 14–20, 23, and 24

INTRODUCTION

The Patent Act defines patent-eligible subject matter broadly: “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 70 (2012), and *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347, 2354 (2014), the Supreme Court explained that § 101 “contains an important implicit exception” for laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185 (1981). In *Mayo* and *Alice*, the Court set forth a two-step analytical framework for evaluating patent-eligible subject matter: First, “determine whether the claims at issue are directed to” a patent-ineligible concept, such as an abstract idea. *Alice*, 134 S. Ct. at 2355. If so, “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements” add enough to transform the “nature of the claim” into “significantly more” than a patent-ineligible concept. *Id.* at 2355, 2357 (quoting *Mayo*, 566 U.S. at 79); see *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Step one in the *Mayo/Alice* framework involves looking at the “focus” of the claims at issue and their “character as a whole.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Step two involves the search for an “inventive concept.” *Alice*, 134 S. Ct. at 2355; *Elec. Power*

Grp., 830 F.3d at 1353. An “inventive concept” requires more than “well-understood, routine, conventional activity already engaged in” by the relevant community. *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1047 (Fed. Cir. 2016) (quoting *Mayo*, 566 U.S. at 79–80). But “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016). Under step two, “an inventive concept must be evident in the claims.” *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017).

A PRIMA FACIE CASE OF UNPATENTABILITY

Appellants argue that the Examiner erred in rejecting independent claims 1, 9, and 16 under § 101 because the Examiner “fails to address each element of the independent claim separately as required under the law in a 35 U.S.C. § 101 analysis of patent-eligible subject matter,” and therefore “has not made a prima facie case that the independent claim is abstract and not patentable” Br. 27, 40–41, 54. Appellants similarly argue that the Examiner “fails to address each element of” each dependent claim, and therefore “has not made a prima facie case that the dependent claim is abstract and not patentable” *Id.* at 54–61. Appellants assert that the Examiner “fails to meet the burden required to reject these claims.” *Id.* at 28, 41, 54.

Appellants’ arguments do not persuade us of Examiner error because they rest on an incorrect view of a patent-eligibility analysis according to *Mayo* and *Alice*. Under *Mayo/Alice* step one, “the claims are considered in their entirety to ascertain whether their character as a whole is directed to

excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

Further, the Federal Circuit has repeatedly explained that “the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The “PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132, in ‘notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.’” *In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (quoting 35 U.S.C. § 132) (alterations in original). The PTO violates § 132 “when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990). But if the PTO “adequately explain[s] the shortcomings it perceives . . . the burden shifts to the applicant to rebut the prima facie case with evidence and/or argument.” *Hyatt*, 492 F.3d at 1370.

We conclude that the Final Office Action adequately explains the § 101 rejection. *See* Final Act. 3–4, 7. The Examiner determines that “[t]he claims are directed towards the abstract idea of determining an insurance rate” by “using a processor and a mobile device.” Final Act. 3–4. The Examiner explains that “[t]he claims are directed to a fundamental economic practice because they are describing concepts relating to economy and commerce.” Adv. Act. 2; Ans. 5. The Examiner also determines that the additional elements in the claims individually and in combination

“amount to nothing more than requiring a generic processor and a generic mobile device to merely carry out the abstract idea itself . . . in a particular, albeit well-understood, routine and conventional technological environment.” Final Act. 4, 7; *see* Adv. Act. 2–3; Ans. 6.

The Examiner’s statements satisfy § 132 because they apply the *Mayo/Alice* analytical framework and apprise Appellants of the reasons for the § 101 rejection under that framework. As discussed in more detail below, Appellants recognize the Examiner’s *Mayo/Alice* analysis and present arguments regarding each step. *See* Br. 14–54. Appellants do not respond by alleging a failure to understand the rejection. *Id.* at 14–61.

MAYO/ALICE STEP ONE

Appellants assert that independent claims 1, 9, and 16 “are clearly not an abstract idea” because they recite: (1) “a combination of components, elements, steps or means plus function that in total describe a meaningful improvement to the field” of “determining a real-time insurance rate” for someone who operates different vehicles; (2) “using a particular machine”; (3) a “transformation of information”; and (4) “specific limitations that confine the claims to the particular useful application of determining and outputting in real-time adjustments to an insurance rate” for someone who operates different vehicles. Br. 15–16, 28–29, 41–42.

Appellants’ assertions do not persuade us of Examiner error because we agree with the Examiner that “[t]he claims are directed towards the abstract idea of determining an insurance rate” and “a fundamental economic practice” relating to economy and commerce. Final Act. 3–4; *see* Adv. Act. 2; Ans. 5, 10. As the Examiner reasons, “determining an insurance rate has long been used in the industry in which people exchange

an amount of funds [or] money for protection via an insurance policy,” thus constituting “a fundamental economic practice.” Final Act. 3.

Further, the Examiner explains that:

the courts have recognized similarly directed claims of comparing new and stored information and using rules to identify options (*SmartGene*), organizing information through mathematical correlations (*Digitech*), using categories to organize, store and transmit information (*Cyberphone*), hedging (*Bilski*), and a mathematical procedure for converting one form of numerical representation to another (*Benson*) to all be directed to abstract ideas.

Ans. 5–6, 10–11; *see* Final Act. 3; Adv. Act. 2. Appellants did not file a reply brief and did not distinguish the cases the Examiner cites.

Appellants’ contentions concerning “a meaningful improvement to the field” of “determining a real-time insurance rate” for someone who operates different vehicles do not persuade us of Examiner error because the claimed systems and methods do not improve the functioning of any product or technological process. *See Alice*, 134 S. Ct. at 2358 (explaining that “the claims in *Diehr* were patent eligible because they improved an existing technological process”); *see also* Final Act. 3, 7; Adv. Act. 2–3; Ans. 6–7. For example, the claims do not cover an improved vehicle-monitoring system or method. Instead, the claims concern “disclosing real-time insurance rates to a vehicle operator.” Spec. ¶ 2; Br. 68–71 (Claims App.).

Appellants’ contentions concerning “using a particular machine” do not persuade us of Examiner error because implementing an abstract idea using a “physical machine” does not impart patent eligibility. *See Mayo*, 566 U.S. at 84; *see also* Ans. 7–8. In *Alice*, for example, “[a]ll of the claims [we]re implemented using a computer.” 134 S. Ct. at 2353, 2360. “[N]ot

every claim that recites concrete, tangible components escapes the reach of the abstract-idea inquiry.” *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016).

Appellants’ contentions concerning a “transformation of information” do not persuade us of Examiner error because the Federal Circuit has ruled that claims covering the transformation of information in one form (“a functional description of a logic circuit”) into another form (“a hardware component description of the logic circuit”) were directed to abstract ideas. *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1139, 1150–51 (Fed. Cir. 2016); *see Gottschalk v. Benson*, 409 U.S. 63, 71–74 (1972) (holding that claims covering methods for converting binary-coded decimal numbers to binary numbers did not satisfy § 101); *see also* Ans. 8.

Appellants’ contentions concerning a “particular useful application” do not persuade us of Examiner error because “limiting an abstract idea to one field of use” does not impart patent eligibility. *See Bilski v. Kappos*, 561 U.S. 593, 612 (2010); *see also Parker v. Flook*, 437 U.S. 584, 589–90 (1978); *Affinity Labs*, 838 F.3d at 1259; Ans. 8.

Appellants argue that “the present application is a clear improvement over existing computerized technologies” and existing “technological systems (e.g., existing insurance rate and policy selection and adjustment tools, etc.).” Br. 15–17, 22–23, 28–30, 35–36, 41–43, 48–49. Appellants also argue that “the various embodiments disclosed by the present application provide improvements to the functionality and use of a conventional computerized device (e.g., a server, computer, controller device, a wireless device, etc.).” *Id.* at 16, 30, 43.

Appellants' arguments do not persuade us of Examiner error. "[R]elying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible." *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015). Here, the claimed "processor," "wireless telephone," and "storage medium" or "memory" perform routine tasks involving data collection, communication, and processing. *See* Final Act. 4, 7; Adv. Act. 2–3; Ans. 6–7. The Federal Circuit has ruled that claims covering data collection, communication, and processing were directed to abstract ideas. *See, e.g., Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1047, 1054–56 & n.6 (Fed. Cir. 2017); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1339–40 (Fed. Cir. 2017); *Elec. Power Grp.*, 830 F.3d at 1351–54.

Appellants assert that: (1) claims 1, 9, and 16 require acts that "inherently cannot be done by humans because humans cannot" perform the claimed acts; and (2) "the impossibility of implementation by a human" establishes patent eligibility. Br. 17, 21–22, 30, 34–35, 43–44, 47–48. But the inability of a human to accomplish each limitation "does not alone confer patentability." *See FairWarning, IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016).

Appellants cite *Intellectual Ventures I v. Capital One* and quote the special master's analysis for one patent, i.e., the '081 patent. Br. 25, 38, 51–52; *see Intellectual Ventures I LLC v. Capital One Fin. Corp.*, No. PWG-14-111, 2015 WL 13609788, at *8 (D. Md. May 12, 2015). Based on that analysis, Appellants contend that claims 1, 9, and 16 are directed to a "specific implementation" and "not an 'abstract idea' of 'updating or switching insurance rates'." Br. 25–26, 38–39, 52. Appellants

misplace their reliance on the special master's analysis in *Intellectual Ventures I v. Capital One*. The district court rejected the special master's conclusions concerning patent eligibility for the asserted '081 patent claims and decided that they did not satisfy § 101. *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 127 F. Supp. 3d 506, 509, 515–26 (D. Md. 2015). On appeal, the Federal Circuit concluded that “the asserted claims of the '081 patent d[id] not meet the standard for eligibility under § 101 and affirm[ed] the district court's entry of summary judgment” against the patentee. *Intellectual Ventures I*, 850 F.3d at 1340–42.

Appellants cite *Intellectual Ventures I v. Symantec* and quote the district court's analysis for one asserted claim, i.e., '610 patent claim 7. Br. 26, 39, 52; see *Intellectual Ventures I LLC v. Symantec Corp.*, 100 F. Supp. 3d 371, 396, 400 (D. Del. 2015). Based on that analysis, Appellants contend that claims 1, 9, and 16 are directed to an “insurance centric problem” having “specific computer and network centric implications,” and therefore patent eligible under *Mayo/Alice* step one. Br. 26, 39–40, 52–53. Appellants misplace their reliance on the district court's analysis in *Intellectual Ventures I v. Symantec*. On appeal, the Federal Circuit decided that all asserted claims, including '610 patent claim 7, did not satisfy § 101. *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1316, 1319–22 (Fed. Cir. 2016). Further, the Examiner determines that the claims “merely apply[] the commonplace business method and pre-internet method of determining an insurance rate to the particular technological environment of the internet using generic computer functions and conventional network operations.” Ans. 10.

Appellants argue that “the claims clearly do not preempt or cover the full abstract idea of ‘conducting an auction’, and thus are eligible for patent protection” Br. 24, 38, 51. That argument does not persuade us of Examiner error. *See* Adv. Act. 3 (addressing preemption); Ans. 12 (addressing preemption). While preemption may denote patent ineligibility, its absence does not demonstrate patent eligibility. *See FairWarning*, 839 F.3d at 1098. For claims covering a patent-ineligible concept, preemption concerns “are fully addressed and made moot” by an analysis under the *Mayo/Alice* framework. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see* Adv. Act. 3; Ans. 12.

Appellants note that in *PNC Bank v. Secure Access, LLC*, CBM2014-00100, 2014 WL 4537440, at *12 (PTAB Sept. 9, 2014), the Board cited *Alice* footnote 3 in its analysis under step one. Br. 19–20, 33, 46–47. Footnote 3 concerns step two, not step one. *Alice*, 134 S. Ct. at 2355 & n.3. Footnote 3 and the sentence it relates to read as follows:

We have described step two of this analysis as a search for an “‘inventive concept’”—*i.e.*, an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.”³

³ Because the approach we made explicit in *Mayo* considers all claim elements, both individually and in combination, it is consistent with the general rule that patent claims “must be considered as a whole.” *Diamond v. Diehr*, 450 U.S. 175, 188 (1981).

Alice, 134 S. Ct. at 2355 & n.3 (alteration in original) (additional citations omitted).

MAYO/ALICE STEP TWO

Appellants assert that claims 1, 9, and 16 satisfy *Mayo/Alice* step two because: (1) they recite “complex” and “demonstrably innovative” systems and methods “with respect to existing technological systems in this field”; (2) “no art has disclosed or suggested the subject claims”; and (3) the Examiner “fails to cite suitable references that anticipate or make obvious” the claimed subject matter. Br. 18, 21–23, 31–32, 34, 36, 44–45, 47, 49.

Appellants’ assertions do not persuade us of Examiner error. “The search for a § 101 inventive concept is . . . distinct from demonstrating § 102 novelty.” *Synopsys*, 839 F.3d at 1151; see *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017). “[U]nder the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016).

“[A] claim for a *new* abstract idea is still an abstract idea.” *Synopsys*, 839 F.3d at 1151. Similarly, a claim for a beneficial abstract idea is still an abstract idea. See *Ariosa Diagnostics*, 788 F.3d at 1379–80. Further, the Federal Circuit has expressly rejected the notion that “abstract ideas remain patent-eligible under § 101 as long as they are new ideas, not previously well known, and not routine activity.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714–16 (Fed. Cir. 2014). Thus, the claims’ alleged novelty, nonobviousness, and benefits fail to provide an “inventive concept” needed to satisfy § 101. See Adv. Act. 2–3 (citing *Ultramercial*); Ans. 9 (citing *Ultramercial*). As the Examiner reasons, “the instant application simply instructs the practitioner to implement the abstract idea (i.e. determining an

insurance rate) with routine and conventional computerized activity.” Adv. Act. 3; *see* Ans. 9.

We agree with the Examiner that the additional elements in the claims do not provide meaningful limitations and do not individually or in combination transform the claims into “significantly more” than patent-ineligible abstract ideas. *See* Final Act. 3–4, 7; Adv. Act. 3; Ans. 9–12. As additional elements, the claims recite a “processor,” a “wireless telephone,” and a “storage medium” or “memory.” Br. 68–71 (Claims App.). The Examiner determines that the additional elements “are merely receiving or transmitting data over a network, performing repetitive calculations, and receiving, processing, and storing data; all of which have been held to be well-understood, routine and conventional functions.” Adv. Act. 2, 3; Ans. 6, 12. The Examiner reasons that “using a processor, a memory and a mobile phone . . . amount[s] to nothing more than requiring a generic processor, generic memory, and generic mobile phone to merely carry out the abstract idea itself.” Ans. 12 (citing Spec. ¶¶ 43, 106, 108, 115). The recitation of generic computer components “cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 134 S. Ct. at 2358.

Citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), Appellants assert that the claims “are directed to a particular insurance rate and policy selection and adjustment problem that did not exist before the recently developed advanced technologies associated with” data collection and analysis. Br. 19, 32, 45–46. *DDR Holdings* does not help Appellants. There, the Federal Circuit determined that certain claims satisfied *Mayo/Alice* step two because “the claimed solution

amount[ed] to an inventive concept for resolving [a] particular Internet-centric problem,” i.e., a challenge unique to the Internet. *DDR Holdings*, 773 F.3d at 1257–59; see *Synopsys*, 839 F.3d at 1151 (noting that “[i]n *DDR Holdings*, we held that claims ‘directed to systems and methods of generating a composite web page that combines certain visual elements of a ‘host’ website with content of a third-party merchant’ contained the requisite inventive concept”). The Federal Circuit explained that the patent-eligible claims specified “how interactions with the Internet are manipulated to yield a desired result . . . that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink.” *DDR Holdings*, 773 F.3d at 1258. The court reasoned that those claims recited a technological solution “necessarily rooted in computer technology” that addressed a “problem specifically arising in the realm of computer networks.” *Id.* at 1257.

The claims here do not address a similar problem and do not contain a similar inventive concept as the patent-eligible claims in *DDR Holdings*. See Br. 68–71 (Claims App.); Ans. 10. Instead, the claims concern “disclosing real-time insurance rates to a vehicle operator” by using well-understood, routine, and conventional components and devices. See Spec. ¶¶ 2, 43, 106–108, 115.

According to the Federal Circuit, “*DDR Holdings* does not apply when . . . the asserted claims do not ‘attempt to solve a challenge particular to the Internet.’” *Smart Sys. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1375 (Fed. Cir. 2017) (quoting *TLI Comme’ns*, 823 F.3d at 613). The claims here do not attempt to solve a challenge particular to the Internet. Ans. 10.

Citing *Messaging Gateway Solutions, LLC v. Amdocs, Inc.*, Nos. 14-732-RGA to 14-737-RGA, 2015 WL 1744343 (D. Del. Apr. 15, 2015), Appellants contend that claims 1, 9, and 16 are “tethered to the technology (e.g. networks and contextual data) that created issues associated with equitable and accurate insurance rate provisioning,” and therefore patent eligible under *Mayo/Alice* step two. Br. 26–27, 40, 53–54. That case does not support Appellants. There, the district court determined that the asserted claims resembled the patent-eligible claims in *DDR Holdings* because they addressed a “problem specifically arising in the realm of computer networks,” i.e., a “problem unique to text-message telecommunication between a mobile device and a computer.” 2015 WL 1744343, at *5 (quoting *DDR Holdings*, 773 F.3d at 1257). As explained above, however, the claims here do not address a “problem specifically arising in the realm of computer networks” and do not contain a similar inventive concept as the patent-eligible claims in *DDR Holdings*. See Ans. 10 (addressing *Messaging Gateway*).

Although Appellants contend that the claims include “enough to escape the ineligibility exception under *Alice*,” Appellants wrongly rely on the features constituting the abstract ideas to support those contentions. Br. 23, 36–37, 49–50; see *Intellectual Ventures I*, 850 F.3d at 1340–41 (noting that “the underlying concept embodied by the limitations [alleged to provide a concrete solution] merely encompasses the abstract idea itself”).

SUMMARY FOR INDEPENDENT CLAIMS 1, 9, AND 16

For the reasons discussed above, Appellants’ arguments have not persuaded us that the Examiner erred in rejecting claims 1, 9, and 16 under § 101. Hence, we sustain the § 101 rejection.

DEPENDENT CLAIMS 2, 4–8,
10–12, 14, 15, 17–20, 23, AND 24

For dependent claims 2, 4–8, 10–12, 14, 15, 17–20, 23, and 24, Appellants do not argue patent eligibility separately under *Mayo/Alice* step one or step two. Br. 54–61. Because Appellants do not argue the claims separately, we sustain the § 101 rejection of the dependent claims for the same reasons as the independent claims. See 37 C.F.R. § 41.37(c)(1)(iv).

The § 103(a) Rejection of Claims 1, 2, 4, 6–11, and 16–18

INDEPENDENT CLAIM 1

Appellants argue that the Examiner erred in rejecting claim 1 because “Cole does not disclose or suggest a collection component *that receives real-time vehicle operation data from a wireless telephone regarding a first vehicle . . .*” Br. 61. Appellants assert that “the system of Cole is not real-time,” in contrast to claim 1. *Id.* at 64. Appellants contend that Cole (1) “teaches data recording and post-processing/analysis” and (2) “generat[es] post driving an aggregate [performance quotient] PQ by analyzing multiple vehicle data collected via operation thereof by a user.” *Id.* at 61, 64. Appellants also contend that Cole’s “[v]ehicle operation data is transmitted by the vehicle on board computer not by the wireless telephone in real-time” and “each individual car sends its own operation data to the system.” *Id.* at 63–64.

Appellants’ arguments do not persuade us of Examiner error because the Examiner finds that Cole teaches or suggests the claimed collection component for a user operating “a first and a second vehicle,” i.e., “a single driver who drives multiple vehicles.” Ans. 14; see Adv. Act. 3. More specifically, the Examiner finds that “Cole discloses collecting real time data

from a wireless telephone regarding a user's operations behavior for a vehicle to calculate an insurance rate and . . . the collection of operations data can be taken from multiple vehicles for a single user . . .” Ans. 14; *see* Final Act. 8–9; Adv. Act. 3.

Among other things, Cole discloses a system for providing “a secure, effective and efficient means to monitor a particular driver's performance whilst operating a particular vehicle.” Cole 4:4–6. Cole describes “an arrangement for multiple drivers using one vehicle and one driver using multiple vehicles.” *Id.* at 8:29–30; *see* Final Act. 8–9; Adv. Act. 3.

Cole explains that a vehicle's computer receives vehicle-operating data, e.g., real-time data about “steering, braking, speed, acceleration,” “diagnostic fault codes,” and “outside operating conditions.” Cole 6:14–15, 6:23–27, 9:26–27; *see id.* at 22:29–32, 25:11–13, 27:1–4, 27:11–28:21, 29:5–8. Figure 2 shows a vehicle's computer communicating with a service center. *Id.* Fig. 2. The vehicle's computer may send “all or a subset of said received data to a local or remote data storage or processor,” e.g., at the service center. *Id.* at 10:28–11:1; *see id.* at 11:14–15, 14:28–30. The vehicle's computer communicates with the service center using “radio or cellular telephone transmission,” e.g., transmission based on GSM (Global System for Mobile communications). *Id.* at 9:2–5, 22:4–7. Figure 2 also shows the vehicle's computer communicating with a driver's personal communicator, e.g., a mobile telephone or personal digital assistant (PDA). *Id.* Fig. 2; *see id.* at 7:20–21, 18:9–10, 19:2–3, 21:18–21, 22:13–16, 26:28–30. The vehicle's computer may send vehicle-operating data to the driver's personal communicator for “real-time analysis of data” sent “to the driver in real-time i.e. whilst operating the vehicle.” *Id.* at 12:1–2. Figure 2 further

shows the driver's personal communicator communicating with the service center. *Id.* Fig. 2.

Because Cole discloses (1) the vehicle's computer sending real-time data to the service center, (2) the vehicle's computer sending real-time data to the driver's mobile telephone, and (3) the driver's mobile telephone communicating with the service center, Cole teaches or suggests sending real-time data to the service center via the driver's mobile telephone. *See, e.g.,* Cole 10:28–11:1, 12:1–2, Fig. 2. In addition, the driver's mobile telephone acts like the claimed “collection component” by receiving real-time data for a first vehicle when the driver operates that vehicle and by receiving real-time data for a second vehicle when the driver operates that vehicle. Consequently, we disagree with Appellants' contentions concerning Examiner error. Hence, we sustain the § 103(a) rejection of claim 1.

INDEPENDENT CLAIMS 9 AND 16 AND
DEPENDENT CLAIMS 2, 4, 6–8, 10, 11, 17, AND 18

Appellants do not argue patentability separately for independent claims 9 and 16 or dependent claims 2, 4, 6–8, 10, 11, 17, and 18. Br. 61–64. Because Appellants do not argue the claims separately, we sustain the § 103(a) rejection of claims 2, 4, 6–11, and 16–18 for the same reasons as claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The § 103(a) Rejections of Claims 5, 12, 14, 15, 19, 20, 23, and 24

Claims 5, 23, and 24 depend directly or indirectly from claim 1; claims 12, 14, and 15 depend directly or indirectly from claim 9; and claims 19 and 20 depend directly or indirectly from claim 16. For these dependent claims, Appellants assert that (1) “Cole and Henderson do not

disclose or suggest all features” of the related independent claim and (2) the additionally cited secondary reference “does not make up for the deficiencies of Cole and Henderson.” Br. 65–66. Appellants’ assertions do not amount to separate patentability arguments. *See In re Lovin*, 652 F.3d 1349, 1357 (Fed. Cir. 2011) (explaining that the applicable rules “require more substantive arguments in an appeal brief than a mere recitation of the claim elements and a naked assertion that the corresponding elements were not found in the prior art”). Because Appellants do not argue the claims separately, we sustain the § 103(a) rejections of these dependent claims for the same reasons as the related independent claim. *See* 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

We reverse the rejection of claims 1, 2, 4–12, 14–20, 23, and 24 under 35 U.S.C. § 112 ¶ 1.

We affirm the rejection of claims 1, 2, 4–12, 14–20, 23, and 24 under 35 U.S.C. § 101.

We affirm the rejections of claims 1, 2, 4–12, 14–20, 23, and 24 under 35 U.S.C. § 103(a).

Because we affirm at least one ground of rejection for each claim on appeal, we affirm the Examiner’s decision to reject all of the claims on appeal.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED